

**[4310-MR-W]**

**DEPARTMENT OF THE INTERIOR**

**Minerals Management Service**

**Agency Information Collection Activities: Proposed Collection, Comment Request**

**AGENCY:** Minerals Management Service (MMS), Interior.

**ACTION:** Notice of an extension of a currently approved information collection (OMB Control Number 1010-0074).

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**SUMMARY:** To comply with the Paperwork Reduction Act (PRA) of 1995, we are inviting comments on a collection of information that we will submit to the Office of Management and Budget (OMB) for review and approval. The information collection request (ICR) is titled “30 CFR Part 206—Product Valuation, Subpart J—Indian Coal (Forms MMS-4292, Coal Washing Allowance Report, and MMS-4293, Coal Transportation Allowance Report).”

**DATES:** Submit written comments on or before (INSERT DATE 60 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER).

**ADDRESSES:** Submit written comments to Sharron L. Gebhardt, Lead Regulatory Specialist, Minerals Management Service, Minerals Revenue Management, P.O. Box 25165, MS 302B2, Denver, Colorado 80225. If you use an overnight courier service, our courier address is Building 85, Room A-614, Denver Federal Center, Denver, Colorado 80225.

**FOR FURTHER INFORMATION CONTACT:** Sharron L. Gebhardt, telephone (303) 231-3211, FAX (303) 231-3781.

## **SUPPLEMENTARY INFORMATION:**

*Title:* 30 CFR Part 206—Product Valuation, Subpart J—Indian Coal (Forms MMS-4292, Coal Washing Allowance Report, and MMS-4293, Coal Transportation Allowance Report).

*OMB Control Number:* 1010-0074.

*Bureau Form Number:* Forms MMS-4292 and MMS-4293.

*Abstract:* The Secretary of the U.S. Department of the Interior (DOI) is responsible for collecting royalties from lessees who produce minerals from leased Federal and Indian lands. The Secretary is required by various laws and acts including 25 U.S.C. 396d and the Indian Minerals Development Act (25 U.S.C. 2103) to manage mineral resources production on Federal and Indian lands, collect the royalties due, and distribute the funds in accordance with those laws.

The Secretary also has an Indian trust responsibility to manage Indian lands and seek advice and information from Indian beneficiaries. MMS performs the royalty management functions and assists the Secretary in carrying out DOI's Indian trust responsibility.

Indian tribes and allottees receive all royalties generated from Indian lands. Both groups have expressed concern that DOI will ensure they receive the proper royalty amount. Failure to collect the data described in this information collection could result in the undervaluation of the minerals and render it impossible for the Secretary to fulfill his/her statutory and trust responsibilities to the Indians. The information that is collected under this ICR is essential for the royalty valuation process.

We developed Form MMS-4292, Coal Washing Allowance Report, and Form MMS-4293, Coal Transportation Allowance Report, for industry to use when reporting or requesting a washing or transportation allowance. Historically, the lessee requested approval of royalty deductions by submitting a letter which provided information enabling the Government to evaluate the reasonableness of the deductions. Under the product value regulations at 30 CFR Part 206—Product Valuation, Subpart J—Indian Coal, we normally accept costs incurred under arm’s-length contracts for transporting and/or washing coal. (An arm’s-length contract is a contract or agreement between independent, nonaffiliated persons with opposing economic interest regarding that contract.) The regulations further provide that we normally accept the contract sales prices arrived at by the lessee in their arm’s-length contract as being representative of value for ad valorem leases (30 CFR 206.456, Valuation standards for ad valorem leases).

In those instances when Indian coal is washed or transported under non-arm’s-length conditions, it is necessary for us to obtain cost data. The information collected on the forms enables us to accurately determine if the lessee correctly computed the coal value and the gross proceeds for royalty calculation purposes.

Proprietary information that is submitted to MMS is protected, and there are no questions of a sensitive nature included in this information collection. The requirement to respond is required when claiming washing and/or transportation allowances.

For this ICR renewal, we have no change in the burden hours submitted to OMB. We have changed the title of this ICR from “Coal Washing and Transportation

Allowance (Forms MMS-4292 and MMS-4293)” to “30 CFR Part 206—Product Valuation, Subpart J—Indian Coal (Forms MMS-4292, Coal Washing Allowance Report, and MMS-4293, Coal Transportation Allowance Report),” to clarify the regulatory language we are covering under 30 CFR Part 206.

*Frequency of Response:* Annually.

*Estimated Number and Description of Respondents:* 1 lessee.

*Estimated Annual Reporting and Recordkeeping “Hour” Burden:* 4 hours.

The following chart shows the breakdown of the estimated burden hours by CFR section and paragraph:

**Respondent Annual Burden Hour Chart**

<b>30 CFR Section</b>	<b>Reporting Requirement</b>	<b>Burden hours per response</b>	<b>Annual number of responses</b>	<b>Annual burden hours</b>
206.458 (a)(1), (b)(1), (c)(1)(i) and (iii), (c)(2)(i) and (iii)	<p><b>Determination of washing allowances.</b></p> <p>(a) <i>Arm’s-length contracts.</i> (1) * * * However, before any deduction may be taken, the lessee must submit a completed page one of Form MMS-4292, Coal Washing Allowance Report, * * *.</p> <p>(b) <i>Non-arm’s-length or no contract.</i> (1) * * * However, before any estimated or actual deduction may be taken, the lessee must submit a completed Form MMS-4292 * * *.</p> <p>(c) <i>Reporting requirements.</i> (1) <i>Arm’s-length contracts.</i> (i) * * * the lessee shall submit page one of the initial Form MMS-4292 prior to, or at the same time, as the washing allowance determined pursuant to an arm’s-length contract is reported on Form MMS-4430, Solid Minerals</p>	2	1	2

30 CFR Section	Reporting Requirement	Burden hours per response	Annual number of responses	Annual burden hours
	<p>Production and Royalty Report. * * * (iii) After the initial reporting period and for succeeding reporting periods, lessees must submit page one of Form MMS-4292 * * *.</p> <p>(2) <i>Non-arm's-length or no contract.</i>  (i) * * * the lessee shall submit an initial Form MMS-4292 prior to, or at the same time as, the washing allowance determined pursuant to a non-arm's-length contract or no contract situation is reported on Form MMS-4430, Solid Minerals Production and Royalty Report. * * * (iii) For calendar-year reporting periods succeeding the initial reporting period, the lessee shall submit a completed Form MMS-4292 containing the actual costs for the previous reporting period. If coal washing is continuing, the lessee shall include on Form MMS-4292 its estimated costs for the next calendar year.  * * *</p>			

30 CFR Section	Reporting Requirement	Burden hours per response	Annual number of responses	Annual burden hours
206.461 (a)(1), (b)(1), (c)(1)(i) and (iii), (c)(2)(i) and (iii)	<p><b>Determination of transportation allowances.</b></p> <p>(a) <i>Arm's-length contracts.</i> (1) * * * However, before any deduction may be taken, the lessee must submit a completed page one of Form MMS-4293, Coal Transportation Allowance Report, * * *.</p> <p>(b) <i>Non-arm's-length or no contract.</i> (1) * * * However, before any estimated or actual deduction may be taken, the lessee must submit a completed Form MMS-4293 * * *.</p> <p>(c) <i>Reporting requirements.</i> (1) <i>Arm's-length contracts.</i> (i) * * * the lessee shall submit page one of the initial Form MMS-4293 prior to, or at the same time as, the transportation allowance determined pursuant to an arm's-length contract is reported on Form MMS-4430, Solid Minerals Production and Royalty Report. * * * (iii) After the initial reporting period and for succeeding reporting periods, lessees must submit page one of Form MMS-4293 * * *.</p> <p>(2) <i>Non-arm's-length or no contract.</i> (i) * * * the lessee shall submit an initial Form MMS-4293 prior to, or at the same time as, the transportation allowance determined pursuant to a non-arm's-length contract or no contract situation is reported on Form MMS-4430, Solid Minerals Production and Royalty Report. * * * (iii) For calendar-year reporting periods succeeding the initial reporting period, the lessee shall submit a completed Form MMS-4293 containing the actual costs for the previous reporting period. * * *</p>	2	1	2
	Total	4	2	4

*Estimated Annual Reporting and Recordkeeping “Non-hour Cost” Burden:* We have identified no “non-hour” cost burdens.

*Comments:* The PRA (44 U.S.C. 3501, et seq.) provides an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. Before submitting an ICR to OMB, PRA Section 3506(c)(2)(A) requires each agency “\* \* \* to provide notice \* \* \* and otherwise consult with members of the public and affected agencies concerning each proposed collection of information \* \* \*.” Agencies must specifically solicit comments to: (a) evaluate whether the proposed collection of information is necessary for the agency to perform its duties, including whether the information is useful; (b) evaluate the accuracy of the agency’s estimate of the burden of the proposed collection of information; (c) enhance the quality, usefulness, and clarity of the information to be collected; and (d) minimize the burden on the respondents, including the use of automated collection techniques or other forms of information technology.

The PRA also requires agencies to estimate the total annual reporting “non-hour cost” burden to respondents or recordkeepers resulting from the collection of information. We have not identified non-hour cost burdens for this information collection. If you have costs to generate, maintain, and disclose this information, you should comment and provide your total capital and startup cost components or annual operation, maintenance, and purchase of service components. You should describe the methods you use to estimate major cost factors, including system and technology acquisition, expected useful life of capital equipment, discount rate(s), and the period

over which you incur costs. Capital and startup costs include, among other items, computers and software you purchase to prepare for collecting information; monitoring, sampling, and testing equipment; and record storage facilities. Generally, your estimates should not include equipment or services purchased: (i) before October 1, 1995; (ii) to comply with requirements not associated with the information collection; (iii) for reasons other than to provide information or keep records for the Government; or (iv) as part of customary and usual business or private practices.

We will summarize written responses to this notice and address them in our ICR submission for OMB approval, including appropriate adjustments to the estimated burden. We will provide a copy of the ICR to you without charge upon request.

*Public Comment Policy:* We will make copies of the comments available for public review, including names and addresses of respondents, during regular business hours at our offices in Lakewood, Colorado. Upon request, we will withhold an individual respondent's home address from the public record, as allowable by law. There also may be circumstances in which we would withhold from the rulemaking record a respondent's identity, as allowable by law. If you request that we withhold your name and/or address, state your request prominently at the beginning of your comment. However, we will not consider anonymous comments. We will make all submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, available for public inspection in their entirety.



*MMS Federal Register Liaison Officer:* Denise Johnson (202) 208-3976.

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Date

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Lucy Querques Denett  
Associate Director for  
Minerals Revenue Management